

IOWA ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS

Overview

Other than lower fuel taxes for ethanol and compressed natural gas (CNG), Iowa does not offer any incentives for private sector alternative fuel vehicles (AFVs). The Iowa Department of Natural Resources provides low interest loan financing for AFV conversions and purchases for state and local governments and school districts, community colleges, and non-profit organizations.

State Incentives

The Iowa Department of Natural Resources operates the Iowa Energy Bank. The Energy Bank provides low interest loan financing for AFV conversions and purchases by state and local government agencies, school districts, community colleges, and non-profit organizations. Financing is made available through local and regional banks. The Department of Natural Resources also does marketing to encourage the use of alternative fuels, and is funding public refueling sites for 85% ethanol blends (E85). Contact Ward Lenz at (515) 281-7018 for more information.

Utility/Private Incentives

MidAmerican Energy Company will provide incentives to customers on a case-by-case basis for natural gas vehicles (NGVs) and refueling stations. MidAmerican operates 7 CNG refueling stations in Iowa that are available to the public by arrangement. For additional information, contact Terry Slaughter at (712) 277-7603.

The National Ethanol Vehicle Coalition (NEVC) is an ad hoc group created by the National Corn Growers Association (NCGA) and the Governors' Ethanol Coalition (GEC) to establish a national program to promote the use of 85% ethanol fuel (E85) as an alternative fuel, enhance agricultural profitability, advance environmental stewardship, and further national energy independence. Through a cooperative effort with the NCGA and its state affiliates, the GEC, state energy offices, and the U.S. Department of Energy, NEVC provides forgivable loans for the installation of public E85 fueling facilities. For more information, contact Phil Lampert at (573) 635-8445 or Sandy Hentges at (573) 636-8590.

Laws & Regulations

At least 10% of state vehicles must be powered by alternative fuels. All state fleet vehicles must be equipped with an alternative fuel capability.

Iowa code section 507 specifies that owners of alternative fueled passenger vehicles, trucks, buses, and recreational vehicles must obtain alternative fuel decals for the vehicles for \$100 per vehicle.

House Bill 1214 (1994) creates the Renewable Transportation Fuels Task Force to study and report on the renewable transportation fuels industry.

In 1988, the Governor proclaimed that all state vehicles must be fueled with 10% ethanol blends (E10) whenever practicable.

All vehicles owned or leased by city and county school districts and vehicles used by members of the Board of Directors of area community colleges must use ethanol-blended fuels.

Legislation enacted in 1993 requires the use of stickers on government vehicles that are being operated on gasoline blended with ethanol.

As of 1995, all fuel pumps dispensing ethanol blends must have a sticker to indicate that the fuel is an ethanol blend.

The state provides a 1¢/gallon motor fuel excise tax exemption for ethanol blends of 10% or more by volume.

The road tax for natural gas is 16¢/100 cubic feet compared to 20¢/gallon for gasoline.

The state has established a Renewable Fuels Fund to provide for the advancement of renewable fuels. The Renewable Fuels Fund concentrates on ethanol and biodiesel, and provides an ethanol incentive production account.

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Points of Contact

Iowa State Energy Office

Iowa Department of Natural Resources
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MidAmerican Energy Company

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National Ethanol Vehicle Coalition

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Iowa State Transportation Contact

Department of Transportation
Dennis Tice (515) 239-1661

U.S. Department of Energy

Regional Support Office
Chicago Regional Support Office
Melinda Latimer (312) 886-8582

U.S. Department of Transportation Contacts

Federal Highway Administration

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Dan Wheeler (816) 276-2750

Federal Transit Administration

Region 7
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General Services Administration

Regional Fleet Manager

Region 6
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U.S. Environmental Protection Agency

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Steve Wurtz (913) 551-7315